

Energy Efficiency Services Limited
JV of PSU's of Ministry of Power, Government of India

Energy Efficiency Scale Up Program

IBRD Loan Number 8857-IN

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 01.04.2017 TO 31.03.2019

1. PROJECT NATURE AND ACTIVITIES

1.1 In order to develop a viable ESCO industry, Ministry of Power has set up Energy Efficiency Services Limited (hereinafter referred to as 'EESL' or 'Company'), a Joint Venture of NTPC Limited, Power Finance Corporation, Rural Electrification Corporation Limited and Power Grid to facilitate implementation of energy efficiency projects. EESL works as Energy Saving Company (ESCO), as Consultancy Organization for Clean Development Mechanism, as a Resource Centre for capacity building of State Development Authorities (SDAs), financial institutions, etc. It is registered under the companies Act, 1956 on 10th December 2009. It is the first such company exclusively for implementation of energy efficiency in South Asia and amongst a very few such instances in the world.

1.2 EESL has availed a line of credit of UDS 220 million for Energy Efficiency Scale Up Program under PforR (Loan No.8857-IN).The objectives of the Program are to scale up energy savings in residential and public sectors, strengthen the Borrower's institutional capacity, and enhance its access to commercial financing.

The Program consists of the following activities in the Borrower's overall corporate investments program:

I. *Energy Savings and EE Market Transformation in the Residential Sector:*

Scaling-up the EE delivery in the residential sector under the UJALA Program, focusing on LED bulbs, tube lights and ceiling fans.

II. *Energy Savings and EE Market Transformation in Public Street Lighting:*

Providing the financing necessary for investments in public street lighting, under the SLNP Program.

III. *Development of Sustainable Business Models in new EE Market Segments:*

Supporting up-stream program development and incorporation of technical, environmental and social sustainability elements into the design of the new initiatives, such as air-conditioning, agriculture demand side management and Building EE Program, which require additional preparatory work to ensure sustainable scale-up.

IV. *Institutional Strengthening for Sustainable EE Scale-Up:*

Strengthening and developing the institution capacities of the Borrower, especially with respect to technical, managerial, procurement, environmental and social capacity and practices.



A handwritten signature in black ink, appearing to be 'S. Singh'.

2. STATEMENT OF COMPLIANCE

- 2.1 The company has followed the generally accepted accounting principle in India and complied with the mandatory accounting standards notified under the relevant provisions of the Companies Act 2013.
- 2.2 Contracts of values higher than the stipulated thresholds have been excluded from Program Expenditure.
- 2.3 Program funds were utilized for the purposes for which they were intended.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Financial Statements

This comprises of the Statement of Program Financial Statements and related notes to the financial statements.

3.2 Basis of measurement

Financial statements have been prepared under the historical cost convention and in accrual basis of accounting.

3.3 Changes in Accounting policies

There were no significant change in accounting policies.

3.4 Disbursement

IBRD disburses the Loan under PforR. The IBRD Loan proceeds are disbursed on achievement of the six DLIs (Disbursement Linked Indicator), and are disbursed over a period between 2018 to 2022. Disbursements are made after verification by the Independent Verification Agency (IVA). Application for withdrawal are sent to the World Bank after EESL is notified in writing by the Bank that the Bank has accepted evidence of achievement of the DLRs.

4. FUNDS RECEIVED FROM GOVERNMENT

As at 31.03.2019, EESL has not received any funds from Government. All the counterpart funds are arranged by EESL through Debt and Equity.

5. DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the

Mohit Khatri

Mohit Khatri
GM (Finance)

Date: 24th January, 2020

S Gopal
S Gopal
Director (Commercial)



PROGRAM FINANCIAL STATEMENTS

Statement of Sources and Applications of Funds for the World Bank assisted India: Energy Efficiency Scale Up Program for Results (IBRD Loan Number 8857-IN and IBRD Guarantee Number G2580-IN) for the period 01/04/2017 to 31/03/2019

Description	Program Applications		Total
	FY 2017-18	FY 2018-19	
Consumption of LED Bulbs	3,46,78,74,395	2,98,15,92,407	6,44,94,66,802
Consumption of LED Tube Lights	39,69,24,008	16,43,62,796	56,12,86,804
Consumption of IEE Fans	1,13,05,92,082	35,75,48,169	1,48,81,40,251
Distribution Expenses - DELP	49,01,04,033	21,19,29,161	70,20,33,194
Media Expenses - DELP	8,61,04,484	26,30,98,799	34,92,03,283
Consumption of EE Street Lights and Project Assets	5,46,36,54,201	15,77,20,30,310	21,23,56,84,511
Employee Salaries and Benefits	39,22,74,844	28,40,42,000	67,63,16,844
Total Program Expenditure	11,42,75,28,048	20,03,46,03,641	31,46,21,31,690

(Figures In INR)

Description	Program Sources		Total
	FY 2017-18	FY 2018-19	
Loan from World Bank under PforR		3,95,20,30,335	3,95,20,30,335
Proceeds under World Bank Guarantee			
Loan from ADB	31,00,00,000	3,07,30,89,777	3,38,30,89,777
Loan from AID	9,50,07,746	92,00,52,865	1,01,50,60,611
Loan from KfW	36,88,23,370	15,75,02,401	52,63,25,771
Any other source (creditors etc)	4,91,95,78,784	-51,82,24,832	4,40,13,53,952
Counterpart (EESL) Contribution	5,73,41,18,148	12,45,01,53,095	18,18,42,71,244
Total Financing	11,42,75,28,048	20,03,46,03,641	31,46,21,31,690

Includes notes to accounts, as required to explain the PFS.

Mohit Khatri
 Mohit Khatri
 GM (Finance)

S Gopal
 S Gopal
 Director (Commercial)
 Chief Financial Officer



For V P G S & Co.
 Chartered Accountants
 FRN No. 507971C

Gulshan Gaba
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 Partner
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